

Board activities

During 2023, the board and its committees had regular scheduled meetings and held additional meetings on an ad hoc basis, as required by business needs.

Board meeting agendas are typically agreed in advance by the chair, chief executive officer (CEO) and company secretary, framed around four pillars – strategy, performance, people and governance.

The information provided below sets out some of the board's activities across each of these pillars during 2023. These activities were supported by the committees of the board where appropriate, with committee chairs providing update reports at board meetings.

Key

- Information that supports TCFD Recommendations and Recommended Disclosures in relation to Governance (see [page 55](#))

Strategy

Strategic direction T

- Discussed strategic progress at each board meeting, including business development updates and deep-dives into our five transition growth★ engines to help embed a shared understanding of the business, market context, capital allocation and profitability over time.
- Approved the strategic progress update announced in February 2023 that included an update on how we expect to achieve our short- to medium-term pathway to deliver our net zero production★ aim (aim 2) (see [page 49](#)).

Macroeconomics

- Received regular updates on the effect of the evolving macroeconomic environment on our strategy throughout the year. T

Mergers and acquisitions pipeline T

- Approved the purchase of TravelCenters of America in February 2023, which brings growth opportunities for four of our five transition growth engines: convenience, EV charging, biofuels/renewable natural gas (bioenergy) and, later, hydrogen (see [page 20](#)).
- Approved the acquisition of the non-bp-owned share of Lightsource bp in November 2023, which is expected to help underpin and de-risk delivery of bp's targets for its transition growth engines – in hydrogen, EV charging and biofuels as well as in power trading (see [page 23](#)).

Investor update

- Reviewed materials for the October 2023 investor presentations on the company's plans and expectations for our oil and gas and biogas businesses (see [page 93](#)).

Safety and sustainability T

- Reviewed ongoing safety, sustainability, project and operational performance throughout the year.

Performance

Annual plan

- Reviewed and approved the 2023 plan, which focused on capital allocation investments into oil and gas assets, and our transition growth engines, while continuing to strengthen the balance sheet. T
- Reviewed full-year delivery against the 2022 plan and monitored delivery against the 2023 plan.

Financial frame and distributions

- Reviewed options for enhancing and simplifying the financial frame.
- Considered transition risks and opportunities as part of the review of the financial frame. T
- Reviewed distributions to shareholders each quarter, consistent with the financial frame.
- Approved share buyback proposals together with 10% increases to our dividend per ordinary share for 4Q 2022 and 2Q 2023.

Capital expenditure

- Received a business update from the CEO at every board meeting. Updates covered projects across all of bp's businesses and, where appropriate, specific climate-related considerations. T
- The CEO's updates included any inorganic or divestment opportunities of more than \$100 million, or which would represent a new strategic business.
- Approved entering the German offshore wind market with a 4GW auction win in July 2023, where the renewable power generated is expected to help enable us to leverage integration opportunities with green hydrogen★, EV mobility and power trading as we build the business. T
- Reviews and reserves for its approval all resilient hydrocarbon investment opportunities above \$3 billion and all other transition and low carbon investment opportunities above \$1 billion. T



Meeting colleagues at bp's Canary Wharf office in London, UK



St James' Square Town hall, London, UK

Acquisition reviews

- Assessed the integration of Archaea Energy. **T**
- Reviewed development pipelines and broader business priorities.

Principal risks

- Reviewed trends and themes arising from risk management reports.
- Reviewed bp's principal and emerging risks twice in 2023, including those related to climate and the impact of geopolitical and macroeconomic developments on the pace of the energy transition (see [page 74](#)). **T**

Internal controls

- Assessed the effectiveness of the group's system of internal control and risk management as part of the review and approval of the *bp Annual Report and Form 20-F*. No specific areas of concern were identified in this assessment and the board concluded that the group's system of internal control and risk management continued to be resilient and fit for purpose, and that the system generally meets external expectations of components to be included in internal control frameworks. In arriving at these conclusions, the board took into account reports from group risk and internal audit, as well as deep-dive presentations and business reviews undertaken by the board and its committees during the year (see how we manage risk on [page 73](#) and bp's system of internal control on [page 134](#)).

People

Engagement

- Participated in the workforce engagement programme (WFEP), providing for board decisions to be better informed by the feedback received (see [page 92](#)).
- Through WFEP, met high-potential employees to help improve their visibility with directors.
- Held town halls in a number of countries during 2023 and undertook site visits to increase directors' direct interaction with the workforce (see [page 92](#)).

Succession

- Supported by the people and governance committee, the board received updates and considered the composition, skills, experience and diversity of the board, as well as that of the bp leadership team.
- Appointed the interim committee of the board that led the search process for bp's new CEO (see [page 97](#)).

Culture

- Reviewed feedback from the 'Pulse annual' employee surveys, agreeing actions and initiatives in response.
- The WFEP involved a number of sessions on bp's 'Who we are' culture frame, to receive employees' perspectives on bp's culture.
- Reviewed the annual ethics and compliance report, the function's priorities and objectives, including reviewing changes to the code of conduct and the associated proposed roll-out programme.
- Established a new interim board committee to gain insights into the implementation of the 'Who we are' culture frame (see [page 97](#)).

Diversity

- Approved an updated board diversity, equity and inclusion policy referencing the requirements of the UK Listing Rules (see [page 96](#)).

Governance

Board composition

- Approved the appointment of Satish Pai and Hina Nagarajan as independent non-executive directors with effect from 1 March 2023.
- Activated emergency succession process for the role of CEO and CFO, with a decision to approve Murray Auchincloss as interim CEO on 12 September 2023. Approval of the appointment of Kate Thomson as interim CFO followed on 19 September 2023.
- Approved the appointments of Murray Auchincloss as CEO on 17 January 2024 and Kate Thomson as CFO and board member on 2 February 2024.

Director training

- Completed online training on matters including ethics and compliance and digital security.
- Attended deep-dive knowledge sessions during 2023, including a teach-in on liquefied natural gas.
- Individual non-executive directors attended one-to-one training sessions with senior members of the bp management team.

Board effectiveness review

- Conducted an internally facilitated evaluation of the board under the leadership of the chair and the people and governance committee (see [page 95](#)).

Investor engagement

- Undertook extensive investor engagement throughout the year (see [page 92](#)).

Corporate governance framework

- Operated in accordance with the governance framework established in 2020 (see [page 88](#)).
- Considered the FRC's proposed reforms as part of their 2023 consultation on the UK Corporate Governance Code.



Site visit to our Bingo facility in the Permian Basin, US



Douglas House Town hall, London, UK